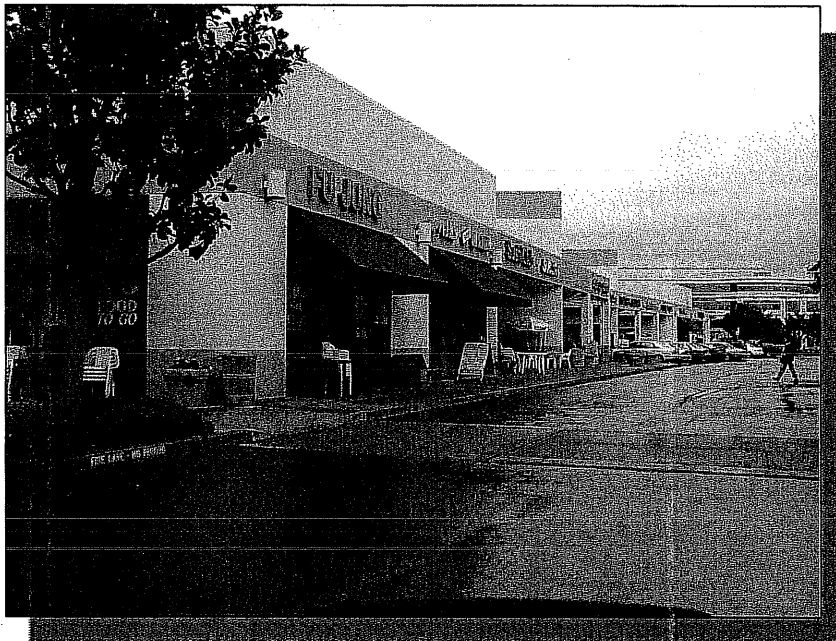


415 NORTH MARY AVENUE

Request for Reduction of Parking Spaces Required for Proposed Additional Restaurant Uses

MARY AVENUE RETAIL CENTER



REASON FOR APPLICATION

Mary Avenue Office, LLC, the "Applicant", is requesting permission to allow an additional 2,934 square feet of restaurant use at 415 N. Mary Avenue without increasing the number of available parking spaces at the Property. The City previously approved the current mix of uses at the Property and has determined that the 110 existing parking spaces provide adequate parking for said uses.

Applicant's request to convert an additional 2,934 sf of retail to restaurant use would imply the need for an additional 11 spaces. Applicant believes additional parking is not warranted as the Property is mainly accessed by pedestrian foot traffic originating from over one million square feet of office space in the immediate area. An independent parking study conducted by JKM Transportation Consultants provides further support that the existing parking is more than adequate to service additional restaurant use at the Property.

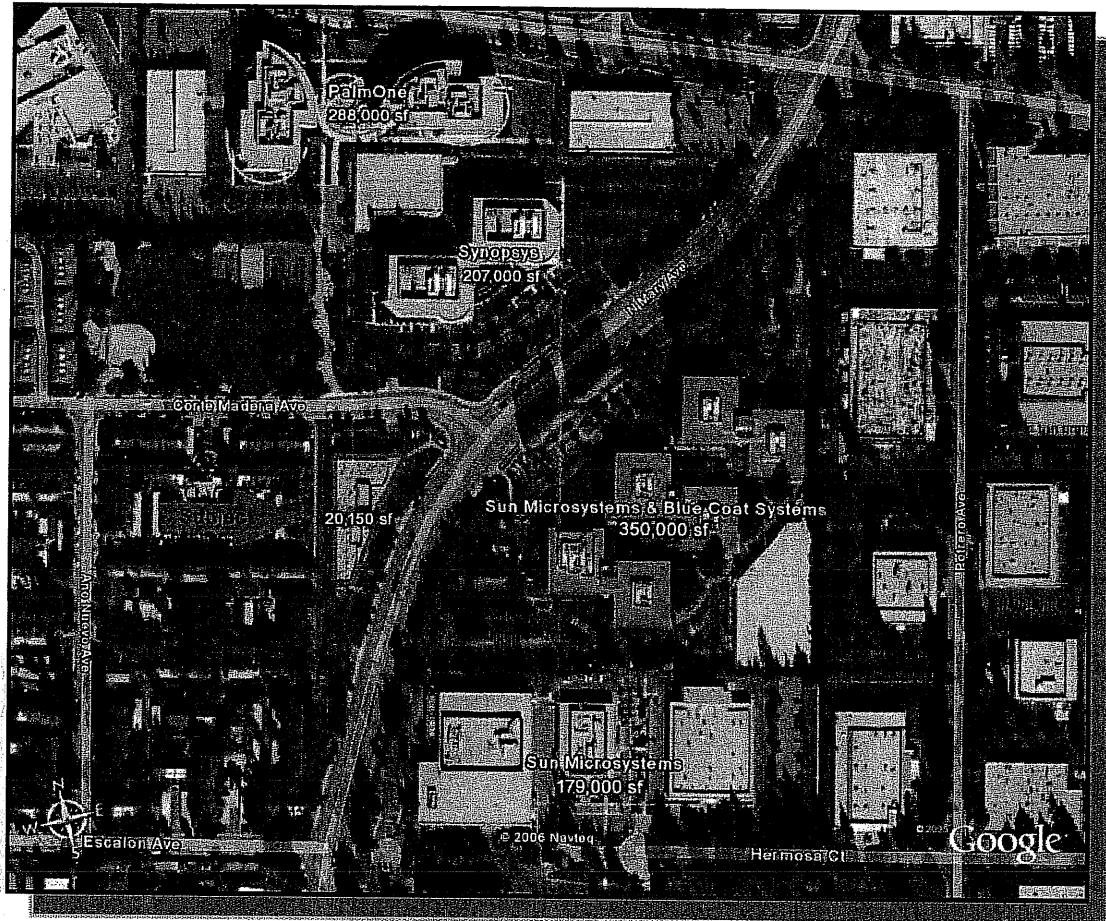
Further, Applicant believes that a diverse mix of restaurants at the center is a substantial amenity to business in the immediate area as this variety encourages employees to stay in close proximity to their workplaces during meal time. The pedestrian oriented location of the project also serves to reduce traffic along a busy section of Mary Avenue benefiting the community at large

BACKGROUND

The Property is a 20,150 square foot retail center developed by Jay Paul in conjunction with a 350,000 square foot office campus (410-430 N. Mary Avenue) located across Mary Avenue.

The Project currently has a 2,381 square foot space that has been vacant since March 2003. Since that time, serious interest in the space has come only from restaurant users who believe the Project's existing mix of restaurants offers a unique opportunity to capture the surrounding employee base from Synopsys, Sun Microsystems, PalmOne, Blue Coat Systems, and others, as well as the surrounding residential population. In addition, a 533 square feet space currently occupied by a nail salon will shortly be vacated. We believe this space would be better suited as expansion space for the adjacent Chinese restaurant which currently has limited seating.

MARY RETAIL - SURROUNDING OFFICE AND RESIDENTIAL



Since Alpha Graphics vacated the 2,381 sf space, we have exchanged proposals with several potential restaurant tenants. We have also had discussions with users who would like to purchase the existing Chinese restaurant and expand into the adjacent space that is currently a nail salon. We have not been able to move forward with any of these potential tenants since current parking codes do not support additional food uses at the Property. Potential tenants do not want to undertake the Major Use Permit application process which they perceive as expensive, time-consuming, and risky.

JUSTIFICATIONS

Parking Impact/TJKM Parking Occupancy Study Results: The enclosed Parking Study by TJKM Transportation Consultants shows that during the peak occupancy period, the hours of 11 a.m. to 2 p.m., the highest occupancy at 415 N Mary Avenue was 80 spaces. This is 73% of the available parking at the center, leaving 30 unoccupied spaces during the peak period. In their study, TJKM

concluded that the proposed restaurant use is expected to generate a parking demand of 12 spaces during the highest occupancy period of 12:30-1 p.m., still leaving 18 unoccupied spaces. In summary, the Parking Study provides ample evidence that the existing parking supply at 415 N Mary Avenue is adequate for the proposed additional restaurant use.

TABLE 1: SUMMARY TABLE OF PARKING OCCUPANCY

Section	Count	Occupancy Rate						
		11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM
A	10	10%	20%	10%	50%	30%	20%	0%
B	6	50%	33%	50%	50%	67%	50%	50%
C	6	0%	0%	0%	67%	50%	17%	17%
D	6	50%	100%	100%	83%	83%	33%	50%
E	6	67%	67%	83%	100%	83%	67%	50%
F	7	57%	86%	100%	100%	88%	88%	88%
G	6	17%	50%	83%	83%	50%	67%	50%
H	10	50%	50%	60%	90%	80%	60%	70%
I	8	0%	0%	50% *	25%	0%	0%	0%
J	10	10%	10%	70% *	90%	50%	20%	10%
K	19	21%	11%	84%	84%	74%	53%	47%
L	16	25%	38%	56%	56%	38%	50%	6%
Totals	110	27%	34%	63%	73%	56%	44%	34%

Notes:

- 1) Bold values indicate peak half-hour for entire parking lot or for section.
- 2) Occupancy rates in sections G, H, and J each include one handicapped-accessible space, none of which were utilized during the entire study period. Section I has two accessible spaces that were never utilized.

* City of Suwanee truck blocked five spaces in sections I-J at 12 p.m. (Three spaces in I and 2 in J.)

TABLE 2: PARKING DEMAND ESTIMATION RESULTS

Unit No.	Tenant	Occupied Square Feet (SF)
101	FuJung Restaurant	930
102	Mary Nails	533
103	Taylor Tax Services	578
104	Sushi Club	800
105	Subway Sandwiches	819
106	VACANT	-
107	VACANT	-
108	Pot Belly Deli, Inc.	1,200
109	Jamba Juice Company	1,223
110	Central Cleaners	1,487
111	Round Table Pizza	2,398
112	West Valley Postal Express	913
113	VACANT	-
114	Mary Dental Office	1,395
115	MNQ Market and Liquor	1,927
117	Senor Jalepeno	2,126
Total All Buildings		16,338
Highest Parking Demand (Occupied Spaces)		80
Rate of Demand per SF		0.005
Proposed Restaurant (Units 106 & 107) SF		2,381
Estimated Parking Demand (Occupied Spaces)		12
Empty Spaces at Highest Parking Demand		30
Net Remaining Empty Spaces		18

Alternate Parking Arrangements:

The above study was conducted with no modification to the parking habits of tenants and employees of 415 N Mary Avenue. Currently, tenants and their employees use the parking lot freely and without restriction. The leases in the shopping center give the Landlord the right to impose parking restrictions as the Landlord deems appropriate. The Landlord had at one time implemented a policy prohibiting tenant and employee parking during peak use periods; however, the policy was discontinued as it was found to be unnecessary. Nevertheless, this policy could be implemented again if future conditions warrant.

Other Mitigating Factors

- The majority of the Project's business is from the surrounding office tenants. As the Parking Study points out and as our own observations confirm, many of the customers of the Project walk to the site versus drive.
- The Project's non-food businesses, i.e., tax accounting, dental office, convenience market, and postal center, require minimal parking.

Neighborhood Impact

There are no perceived or potential negative impacts that we and our consultants have found from allowing additional food use at the Project. We believe that restaurant users will continue to represent ethnic foods reflective of the neighborhood culture. This will enhance the tenant mix, thereby benefiting existing tenants of the Project, as well as the surrounding office and residential occupants. This in turn will bring about cultural and economic enhancement for the community. The result is a more desirable environment overall. Vacant space, especially long-term vacancy, projects a negative image for the community. Fortunately, vacancy created by use restrictions, such as what exists at the Project, can be remedied.

Fiscal Benefit to City

The continued success of the Property has a direct fiscal benefit to the City through tax dollars generated by the Property and surrounding businesses. The additional restaurant space is essential to the long-term success and competitiveness of the Property within the regional economy.

SUMMARY

We believe the City of Sunnyvale should approve 2,934 square feet of additional restaurant use at the Project without the addition of the normally required eleven additional parking spaces for the following reasons:

- The Project has more than ample parking to accommodate the proposed and current uses
- Greater variety of food choices for the surrounding community
- Stronger amenity for office employers in the immediate vicinity
- Pedestrian-oriented rather than auto oriented center reduces traffic impact along busy Mary Ave.
- Economic and cultural enhancement
- Ability to convert non-revenue generating space into leased space
- No perceived or potential negative impacts